

THE ECONOMIC CLIMATE

Real GDP grew at a -2.4% rate year-over-year in the fourth quarter (+4.3% quarterly annualized rate) as the U.S. economic recovery continued at a brisk pace. The speed of vaccinations in the U.S. has exceeded expectations, reaching more than 3 million doses per day during the first week of April. Approximately 23% of the country have been fully vaccinated, and 37% have received a first dose. The Europe Union has been slower to roll out vaccinations, suggesting member countries may be grappling with the virus for longer periods of time.

MARKET PORTFOLIO IMPACTS

We believe the U.S. economy is playing catch-up to the markets in the current environment. While it seems increasingly likely that the economy will rapidly come back to life over the next year, this optimism may already be baked into equity prices. U.S. core inflation remained low and stable, at 1.6% year-over-year in March. A jump in gasoline prices, along with base effects from the 2020 recession, pushed up headline inflation to 2.6%. It appears likely that inflation will continue to see a temporary rise in the coming months due to the lower prices of Q2 2020, since inflation is a year-over-year measure.

THE INVESTMENT CLIMATE

President Biden announced his \$2 trillion Infrastructure Plan. In its initial form, the plan did not have bipartisan support, reportedly due to the lower proportion of the plan that related to traditional infrastructure spending, the size of the plan, and the proposed methods to fund it. Negotiations will commence in late-April, though it remains possible that the bill is modified in order to pass it via the “reconciliation” process, to avoid the need for Republican support. According to FactSet, S&P 500 earnings expectations for 2021 improved by 5.0% during the quarter. Analysts are now forecasting 25.4% earnings growth for 2021—an incredible recovery from the -11.2% earnings drop expected of 2020.

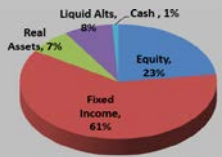
FISCAL YEAR TO DATE PERFORMANCE

With respect to the fiscal year, the Endowment portfolio experienced a 19.9% gain in the period ending March 2021. During the period, Equities and Fixed Income posted positive returns and outperformed their benchmarks.

Investment Pools	Three months ended 3/31/2021	Year to Date	Fiscal Year to Date	One (1) Year Return	Three (3) Year Return	Five (5) Year Return
Cash Equivalent 100% Cash Equivalents	0.0	0.0	0.2	0.4	1.3	1.0
Global Constrained Income & Growth 25% Equity, 65% Fixed Income, 5% Real Estate, 5% Alternative Investments	0.5	0.5	10.6	20.3	6.8	6.4
Global Constrained Balanced 45% Equity, 40% Fixed Income, 10% Real Estate, 5% Alternative Investments	2.2	2.2	18.0	33.3	8.4	8.5
Global Growth & Income 60% Equity, 25% Fixed Income, 10% Real Estate, 5% Alternative Investments	3.4	3.4	23.1	42.3	9.2	9.7
Endowment	3.1	3.1	19.9	33.4	8.0	9.4
Market Benchmarks						
<i>Cash - 90-Day Treasury Bills</i>	0.0	0.0	0.1	0.1	1.4	1.1
<i>Bonds - Bloomberg Barclays US Aggregate</i>	-3.4	-3.4	-2.1	0.7	4.7	3.1
<i>International Stocks - MSCI ACWI ex U.S. Gross</i>	3.5	3.5	28.7	49.4	6.5	9.8
<i>Domestic Stocks - S&P 500</i>	6.2	6.2	29.7	56.4	16.8	16.3
Blended Benchmark - Endowment¹	2.5	2.5	17.9	31.8	9.0	9.6

GLOBAL CONSTRAINED INCOME & GROWTH

Designed for donors or nonprofits with medium-term objectives (3-5 years). While moderately conservative, this pool will have a risk of loss. A moderate portion may be invested in capital appreciation oriented investments. The income allocation may include an allocation to fixed income instruments. The pool will not include an allocation to illiquid alternative investments.



The Global Constrained Income & Growth Pool returned 0.5% during the quarter and was up 20.3% over the past year. Domestic Equity gained 7.4% and International Equity was up 4.5% over the quarter. Total Equities account for 25.6% of the portfolio, both domestic and international equities outperformed their benchmarks over the period. The Pool's Fixed Income securities, which comprises 65.8% of its total assets, saw a loss of -2.5% for the quarter and outperformed its benchmark. The 5.5% allocation to REITs was up 8.8% and the 2.9% allocation to Alternatives was up 7.9%. REITs and Alternatives outperformed their benchmarks.

GLOBAL CONSTRAINED BALANCED

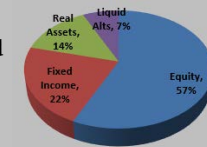
Designed for donors or nonprofits with longer-term objectives (7+ years) and spending rates of less than 4% of assets per year. A portion may be invested in capital appreciation-oriented investments. The income allocation may include an allocation to fixed income instruments. The pool will not include an allocation to illiquid alternative investments.



The Global Constrained Balanced pool returned 2.2% during the quarter and was up 33.3% over the past year. Domestic Equity gained 5.7% and International Equity was up 3.9% over the quarter. Total Equities account for 45.9% of the portfolio, domestic equity underperformed its benchmark and international equity outperformed its benchmark over the period. The Pool's Fixed Income securities, which comprises 41.0% of its total assets, saw a loss of -2.5% for the quarter and outperformed its benchmark. The 10.5% allocation to REITs was up 8.8% and 2.0% allocation to Alternatives was up 7.9%. REITs and alternatives outperformed their benchmarks.

GLOBAL GROWTH & INCOME

Designed for donors or nonprofits with long-term objectives (10+ years) yet with liquidity requirements and with spending objectives of approximately 4% of assets per year. A large portion may be invested in capital appreciation-oriented investments. The income allocation may include an allocation to fixed income instruments. The pool will not include an allocation to illiquid alternative investments.



The Global Growth & Income pool returned 3.4% during the quarter and was up 42.3% over the past year. Domestic Equity gained 6.0% and International Equity was up 3.8% over the quarter. Total Equities account for 60.9% of the portfolio, domestic equity underperformed its benchmark and international equity outperformed its benchmark over the period. The Pool's Fixed Income securities, which comprises 26.2% of its total assets, saw a loss of -2.5% for the quarter and outperformed its benchmark. The 10.4% allocation to REITs was up 8.8% outperforming its benchmark. The 2.1% allocation to Alternatives was up 7.9%, outperforming its benchmark.

ENDOWMENT POOL

Designed for donors or nonprofits with endowment-like objectives (20+ years), willing to accept moderate illiquidity and with spending objectives of approximately 4% of assets per year. A large portion may be invested in capital appreciation-oriented investments. The income allocation may include an allocation to fixed income instruments. The pool may include an allocation to illiquid alternative investments. The management of this pool will be consistent with endowment best practices.



The Endowment pool increased 3.1% during the quarter. For the trailing one year the Endowment was up 33.4%. Domestic Equity gained 6.0% and International Equity was up 3.8% over the quarter. Total Equities account for 57.0% of the portfolio, Domestic Equity underperformed its benchmark and International Equity outperformed its benchmark. The Pool's Fixed Income securities, which comprises 21.2% of its total assets, saw a loss of -2.5% for the quarter and outperformed its benchmark. Real Estate and Alternatives returned 14.1% and 2.9%, respectively, over the quarter.

1. 30% Russell 3000, 26% MSCI ACWI ex US, 22% Bloomberg Barclays US Aggregate, 10% FTSE NAREIT All, 5% Bloomberg Commodity Index, 7% HFRI Fund of Funds Composite Index.

Notes: The above are the historical returns for each of the five investment pools. Investment performance of individual funds may vary from the total pool return due to the timing of contributions and grants. Historical returns are not a predictor of future returns. The returns above are net of fees paid to investment managers. This fee represents the plans' blended expense ratio and is between 50 and 60 basis points annually. The fee for our investment consultant, Verus, is not reflected in the returns.

Underlying Investment Managers

Domestic Equity: Vanguard FTSE Social Index, Vanguard Extended Market ETF

International Equity: Causeway International Value, EuroPacific Growth, DFA International Small Cap, Calvert Emerging Markets Equity

Fixed Income: Dodge & Cox Income, Met West Total Return, Vanguard Inflation Protected Securities

Alternative Investments: AQR Style Premia Fund

Real Assets: TownSquare Real Estate, Penn Square, UBS Trumbull, TA Realty Fund, Invesco Real Estate, Vanguard REIT Index

Note: Performance for Penn Square Global Real Estate II and Town Square Real Estate Alpha Fund I is lagged by one quarter.